साथ ही क्या हमारे ही देश मे इन मूल्यवान पुस्तको की म.इक्रोफिल्म की मास्टर निगेटिव को पूरी तरह से सुरक्षित रखने क। समुचित उपाय करेग। । धन्यवाद ।

CLARIFICATIONS ON THE STATEMENT OF THE MINISTER OF FINANCE RE. CURRENT FISCAL SITUATION

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Now, we will continue with the clarifications on the Finance Minister's statement. Prof. C. P. Thakur.

PROF. CHANDRESH P. THAKUR (Bihar). Thank you, Mr. Vice-Chairman, Sir. After a long waiting, my chance has come I share the apprehensions of ..

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) Prof before you begin, I just want to mention one thing because one Member raised the issue I must say that the parties are free to give their names, but it is for the Chair to identify the Members This is the privilege of the Chair. You can begin.

SHRI MURLIDHAR CHANDRAKANT BHANDARE (Maharashra)· Sir, may I take a minute?

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR). No. This is not a debatable issue.

SHRI MURLIDHAR CHANDRAKANT BHANDARE. I agree that this is not a debatable issue. But what you are saying is not correct. I would like to point out what has been mentioned in the Bulletin issued on Monday, the 24th December, 1990 In regard to clarifications, it has been clearly mentioned therein that it will be in order of the receipt.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): It is privilege and the right of the Chair to identify the Members You please sit down

SHRI MURLIDHAR CHANDRAKANT BHANDARE: I will sit down.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): You cannot come to the Chair and create a rumpus.

SHRI MURLIDHAR CHANDRAKANT BHANDARE: Then, you should withdraw the circular which was issued. I will read it out. It says: "If there are more than one Member to seek clarification, the request received first in point of time may only be accepted ignoring the request from another Member." The priority is decided by the order of receipt. It has been further mentioned therein .

PROF. CHANDRESH P. THAKUR: My priority is unquestioned.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): He wanted priority as a senior Member.

SHRI MURLIDHAR CHANDRAKANT BHANDARE: I do not want any priority. I only want observance of the rules. You are misquoting. You have to go by the orders in which the notices are received.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR)· If you want my ruling, I can give it.

SHRI MURLIDHAR CHANDRAKANT BHANDARE: I will take it up with the Chairman. We should decide it once and for all We need not waste our time. If we are not here, it is not in our hands. But when it is in our hands, when we are vigilant, when we are attending all the time, this is the price we pay for our vigilance.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): You have made your point The point is this. It is for the Chair to identify the Members Now, I have identified Prof. Thakur. You can go to the Chairman.

SHRI MURLIDHAR CHANDRAKANT BHANDARE: I will take it up with the Chairman.

SHRI SANTOSH BAGRODIA (Rajasthan): Sir, may I just point out one thing? Prof Thakur was in the Chair yesterday He said that this would be taken up at 5 p.m.

SHRI MURLIDHAR CHANDRAKANT BHANDARE· Sir, I told you that Prof. Thakur should be called first

PROF CHANDRESH P. THAKUR· I appreciate your sentiments. But I have been called and I am now responding

[Prof. Chandresh P. Thakur]

Mr. Vice-Chairman, Sir, the statement which we got yesterday from the Finance Minister, the hon Leader of the House, is a loaded statement It say a lot of things But the way it says, it does not convey a blow-by-blow message in regard to the state of the economy. May be, as a result of the consideration that there should be some political prudence in presentation of the facts, he has chosen the pattern of the language that he has used here. At the same time, it involves a lot of economic ambiguity

First of all, let me make a few points very clear. The previous Government started its tenure on the slogan of 'empty coffers'. I would like to know from the hon. Minister, are the coffers that he has inherited emptier, or, they were restored back to their previous position? To the extent he has glossed over this, it involves a calculated economic ambiguity

He has said in the last paragraph, after narrating all the problems and going into the facts, that 'the task before us is difficult, but it is manageable. I respect his heroic commitment in regard to the manageability part of it. But that kind of a statement requires sufficient credibility and concree evidence of the steps that are going to be taken which will restore the health of the economy. Let us look at the reality When we go into the details, we find that the cumulative picture shows that the economy is in deep trouble And to explain away, even largely, if not totally, all this trouble in terms of the Gulf crisis, would amount to a calculated fraud on the nation. Whether the previous Government was doing towards the end, or, the present Government is doing, to explain away a large part of the problem in terms of the Gulf crisis, I submit, this is unfair. It is here that the economic ambiguity creates problem. I have sent a question asking whether the Finance Minister cared to present a White paper on the economy of the country and the written answer that I have received says, no. I think an honest course should have been to come out with a White paper giving reality of the state of the economy at all levels and then probably we would have taken that as a benchmark and looked at the steps proposed and in due course to be taken by the Government and their consequences in the proper perspective But in his political wisdom he has chosen this course and we are just responding

There is no denying the fact that the deficit is growing, but what was the deficit at the time the previous Government came and at the time it left the offices? As a result of the fiscal dispensation practised by the previous Government what is the cumulative effect on the size and magnitude of the budget deficit at the end of this financial year? That picture should have come in actual details rather than in percentages I realise that things could change, revenue could go up, expenditure could be controlled, but still a more realistic picture should have been depicted here My fear in saying this is that this deficit is going to be much larger than even our worst fear can be at this stage and a large part of it would be the conscious creation of the previous Government rather than the castigating approach of all the 10 or 15 years of mismanagement. There have been problems historically. We realise that, but whether those problems have been compounded in the last 11 months or not that should have come out loud and clear from the statement which the Finance Minister has made. Similarly, debt service ratio, this is a serious problem, both domestic debt and external debt, but the Government which cried hoarse against the magnitude of debt, whether it went further and incurred more debt or it reduced it, that picture also should have been made clear I am saying so because we are living in a country where political wisdom or enthusiasm shared from the floor of the House is going to be the touchstone for the assessment of the political character of the people. It does not matter which person is in the Finance Minister's position Collectively, the picture that is coming is that the credibility of the Government is beginning to get eroded at a faster pace The Fi-

nance Minister owed to the nation to restore this credibility through the statement which he is making on the floor of the House.

Coming to the budgetary resources, what is the state of affairs? I will just take one case, i.e. surplus from public enterprises Almost every Government, previous to this Government, has stated that public enterprises will contribute so much surplus revenue. Even that last leg of the previous Government, the Plan Approach, had anticipated certain surplus There is no evidence here in terms of the corrective measure, whether the source, called the public enterprise surplus, is going to be a credible source for augmenting a revenue resource of the Government or it is going to be further down. That part has also been—I would not like to impute motive—inadvertently omitted or left out I am making these points to illustrate how the economic ambiguity has been consciously practised Then a reference has been made that the revenue buoyancy has suffered. We all know that both direct and indirect revenue collection has suffered We again understand that the loss suffered in terms of disruption as result of the social or communal tension will be very heavy Is there some evidence that the tax collection machinery is not using its full force? It is possible to think that were as the index of industrial production in years after years has shown a positive trend, but the corresponding picture in terms of revenue collection, particularly excise revenue, has not been satisfactory So, I submit that it is possible that part of the shortfall in the revenue collection has certainly been as a result of the disruption to the economic activity. But a part has been underutilization of the tax collection machinery's potential which may be an administrative problem or which may be more than an administrative problem, but I would not like to allude beyond that to any particular aspect.

Now let us come to the course correction. I would like to know from the honourable Finance Minister what are the concrete steps beyond this tokenism of cutting off telephones and STD calls, non-use of staff cars on holidays and usage of staff cars being reduced. What are the concrete steps you have taken to reduce or freeze the revenue expenditure of the Government—non—Plan expenditure? We know the broad headings where non-Plan expenditure is pruned, but what are the concrete measures and what is the time-frame for that, in which month, in which year what percentage, what concrete amount under which head is going to be left frozen and, preferably, reduced further?

Then, the country has seen the give-aways, fiscal profligacy of all kinds. Remission of loans is one, subsidies galore—economically rational subsidies or economically totally irrational subsidies Not only irrational but iniquitous subsidies of one kind or the other have been perpetrated. Is there some evidence that the Government has gathered courage to apply some course correction in the management of subsidy?

Management of subsidy has been characterized by political undertones rather than considerations of economic rationality A lot of them have lived longer than their relevance remained, and a lot more should not have been there in the first instance. So the time has come to apply strict controls.

In the last line he is saying, "Support of Parliament and support of the people." Yes, support of Parliament is necessary and it will come in sufficient measure; support of the people is necessary and it will come in sufficient measure—provided there is persuasive evidence to show that the Government has the political will and the economic courage to go about taking the right steps, whatever the consequences, because even if the Government becomes un popular on these issues, posterity will thank him, the country will be grateful to him for having introduced course correction So, on subsidy part there is no clarity.

Then, coming to creditworthiness, his predecessor has said that international cedit rating of the country has gone down Modi's and other agencies have rated it. In one of the papers, *Sunday* or some paper, in a question-answer feature it is said that it is because of the tourist season being adversely affected because of the disturbances. I only hope that the

[Prof. Chandresh P. Thakur]

statement that his predecessor has made has been made after reading the 4-page document in which a credit assessment note has come. I am sure the Finance Minister must have read it.

The fundamentals of Indian economy are sound. I totally agree with him that the country's economy has resilience, but the politically-made expedient decisions have created a climate in the country where the economic activity was brought to a grinding halt, and that has led to this situation. The Government of India has not defaulted at any stage in the repayment of any loan or interest, and yet its credit-worthiness has been rated down for the simple reason that the risk element has magnified. Now, what is the Government going to do to ensure those assessors and our future investors or lenders that the element of risk is going down or will be substantially reduced? There is an evidence of a political kind which will require that the Government is capable to manage itself politically, the Government is capable to give a sound, effective administration of the economic system of the kind which will generate confidence, that the Government is able to provide security for the process of creation of wealth in agriculture or industry or services or whatever, so that the investing community or the lending community will restore its confidence in that

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR). Now conclude.

PROF. CHANDRESH P THAKUR: Mr. Vice-Chairman, I would like to say that on the foreign exchange front, I am sure, the Government is taking steps to go to the IMF.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): If we go this way,. . .

PROF. CHANDRESH P. THAKUR: From the IMF, what is the magnitude of resources he is expecting? Are the conditions going to be similar, or are some new conditions, keeping in view the political vulnerability of the country, going to be imposed, and what will be the Government's response to that?

If the IMF is not a source from where everything will come or all these needed resources will come, what are the non-IMF sources he is going to tap? Bilateral kind? Which are the countries? On what terms? If it is non-resident Indians, then, on what grounds?

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Please conclude now.

PROF CHANDRESH P THAKUR: What is the magnitude of resources that he will find?

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR). Leave something for others.

PROF CHANDRESH P THAKUR. Last point, Mr Vice-Chairman.

The recent fiscal measures that he has announced, have implications in terms of cascading effect on the prices and the fate of the common man and his likely enthusiasm or the missing enthusiasm So, what impact is he expecting of these measures on the extent of price-rise or price-stabilisation which will finally determine the degree of expectation in the next round so far as this Government is concerned?

Thank you very much, Mr. Vice-Chairman.

श्रीमती सत्या बहिन (उत्तर प्रदेश): उपसभाध्यक्ष महोदय, मैं आपको धन्यवाद देना चाहती हू कि आपने मुझे बोलने का समय दिया । कल हमारे माननीय वित्त मंत्री जी ने देश की अर्थ व्यवस्था के सबध मे वक्तव्य दिया था । हम सभी उनकी चिंता से सहमत होते हुये कुछ बिंदुओं की तरफ ध्यान आकर्षित कर रहे हैं । मैं भी कुछ बिंदुओ की तरफ मंत्री जी का ध्यान आकर्षित कर रही हू । देश की हालत और जनता की जो क्षीण क्रय क्षमता है उसको देखते हुये यह नीति बनानी पड़ेगी कि हमें उत्पादन को देश में बढ़ाना है तभी जनता

को राहत मिल सकेगी और जो मुद्रा-स्फीति है, महंगाई है उस पर काबू पाया जा सकेगा । हमे जो स्वदेशी उत्पादन है उसको बढाने की तरफ ध्यान देना होगा । मैं मंत्री महोदय का ध्यान विशेषतौर से जो हमारे सरकारी उपक्रम है, सरकारी सस्थान हैं वे चीजें इस्तेमाल कर रहे है उनकी तरफ दिलाना चाहती हू । ये सरकारी सस्थान अपने यहां ऐसी चीजों का ज्यादा इस्तेमाल कर रहे है जो आयातित है । मैंने इस वक्तव्य मे देखा है कि मत्री महोदय ने जो पेट्रोल पर 25 फीसदी सरचार्ज लगाया था उसको भी जारी रखा है जबकि इसको हटाने का उपाय करना चाहिये । मै मंत्री महोदय का ध्यान स्टील प्लाट की तरफ दिलाना चाहती हूं । वैसे तो हमारे देश मे बहुत से स्टील प्लाट है लेकिन उदाहरणार्थ राउरकेला स्टील प्लाट के बारे मे बताना चाहती हू कि वहा जो पैकिंग के लिये वह पैकिंग मेटीरियल इस्तेमाल किया जात है, जिसके लिये कच्चा माल पेट्रोलियम पदार्थ भी विदेश से मंगाना पडता है । जो स्वदेशी चीजें हैं या एग्रो बेस्ड आइटम्स है वे छोड़ते जा रहे हैं । हमे न सारी बातो का ध्यान रखना पड़ेगा । जहां पर फिजूल-खर्ची है, या जहा पर अनावश्यक चीजें इस्तेमाल होती हैं उन पर प्रतिबंध लगाना पडेगा और स्वदेशी उत्पादन को बढावा देना पडेगा ।

दूसरी बात मैं मत्री महोदय के नोटिस मे लाना चाहती हू कि जो हमारे विदेशी बैंक है उनकी कार्यप्रणाली पर भी नजर रखनी पडेगी । मैं विशेषतया सिटी बैंक की तरफ ध्यान दिलाना चाहती हूं । इस बैंक पर हमारे भूतपूर्व प्रधान मत्री और वित्त मंत्री श्री वी.पी.सिंह की बडी भारी अनुकम्पा रही है और उनकी इस अनुकम्पा से ही यह पूरे देश मे फैली हुई है । मेरा अनुमान है कि इस बैंक की कुल सात अधिकृत शाखाये है--मुंबई, कलकत्ता और मद्रास मे दो-दो और दिल्ली मे एक । किन्तु इसकी विभाजित अन-धिकृत शाखाये 700 से कम नहीं होगी । इन्होंने अपनी निजी एक नीति बना ली है । इनकी कार्यप्रणाली, इनका कानून इनकी नीति या पालिसी भी हमारे जो राष्ट्रीयकृत बैंक्स हैं उनसे भिन्न हैं । इस विदेशी बैंक ने यह नीति बन रखी है कि कार, टी. वी., फ्रिज आदि जो लग्जरी आइटम्स हैं उनके लिये बहुत आसानी से कर्जा देती है । और जो उत्पादन कार्यों के लिये लोन लेना चाहते है उनको मना कर दिया जाता है । दूसरी स बात की भी जाच करनी चाहिये कि हमारे यहा जो छोटे-छोटे नागरिक है, आम आदमी है और जो राष्ट्रीयकृत भारतीय बैंको में 10 रु. तक का भी एकाउट खोल सकता है, लेकिन जो विदेशी बैंक हैं, खास तौर पर जो सिटी बैंक हैं उसमे पहले तो 10 हजार की लिमिट थी, लेकिन अब 30 हजार की लिमिट कर दी गई है । इससे कम मे यहा एकाउन्ट नही खोला जा सकता है । आप अखबार उठाकर देख लीजिये, कारो के लिये तो खुले आम लोन दिया जा रहा है, लेकिन जो छोटा-मोटा उद्योग लगाना चाहते हैं उनके लिये मना कर दिया जाता है । मैं चाहती हूं कि इन पर कोई पाबन्दी लगाई जानी चाहिये क्योकि इनकी नीति यह है कि मक्खन मलाई तो ये खायें और घास-कूड़ा दूसरे स्वदेशी बैंकों के लिये छोड़ दिया जाय । इन सब बातो की ओर मैं मत्री जी का ध्यान आकर्षित करना चाहती हू और अपनी शका समाधान चाहती हू ।

SHRI JOHN F. FERNANDES (Goa). I compliment the Finance Minister for being honest and frank and for coming with bare facts before Parliament for co-operation. Since the National Front Government came into power one year back, the Prime Minister pressed on the false alarm button to say that the coffers were empty. As a result no foreign country trusted us to grant any foreign loan At the same time he was so much magnanimous that he refunded Rs. 180 crores collected by way of Central Excise. The Government was very much interested in non-issues so much so that the administration was out of control and the tax collection was very poor. May I know from the hon Minister what was the shortfall in tax collection last year compared to the previous year? The Government was so much bankrupt that it

[Shri John F Fernandes]

started selling the reserve gold from the bank. May I know if the sale is still continuing and what is the collection done by way of sale of gold?

The hon. Minister has mentioned in para (1) about inflation, but he has not given the rate of inflation. May I know what is the percentage of inflation we are facing at the moment?

The poor condition of our economy has alarmed the NRIs to such a large extent that they started withdrawing their savings in our country and started depositing them abroad. May I know what is the withdrawal made by the NRIs for the last 12 months

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) Now, we are really reaching 6 p.m It is for the House to decide whether we should continue and complete it today Should we adjourn's after Mr Bhandare's clarifications?

SHRI VISHVJIT P SINGH (Maharashtra) Let the Members seek clarifications at least and the Minister can reply later on.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) So, the sense of the House is that we will complete clarifications

श्री राम नरेश यादव (उत्तर प्रदेश) महोदय, मेरा आपके माध्यम से आग्रह यह है कि हमने वित्त मंत्री जी से पिछली बार भी आशंका व्यक्त की थी, ऐसा न हो कि इस बार भी ऐसा हो जाय । पिछली बार तो सरकार इसको नहीं चाहती थी और वह भाग गई थी, लेकिन आप अब नही भाग रहे हैं । आप इसको बुधवार के लिये रख दीजिये । यह मेरा आपसे आग्रह है ।

SHRI MURLIDHAR CHANDRAKANT BHANDARE The Industrial Policy could not finish for four weeks last time.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Let us know the sense of the House. Should we conclude it today? It is a very big list.

SHRI JAGESH DESAI (Maharashtra): But all are not here.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): But still there are other parties

6 00 P.M.

SHRI MURLIDHAR CHANDRAKANT BHANDARE It is much better if you finish today because you will get maximum drop-outs today only. They will all come again the next day.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR)· The Finance Minister is never interested in drop-outs He wants to have more and more Members.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) Sir, the point which I have made earlier is that I have no hesitation either way. I am only anxious that we should be able to complete this debate

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR)· I will tell you what has happened Before me there are Members from the Congress party. Now there are Members from other parties also They have given their names You will have to reply to them

SHRI YASHWANT SINHA: Sir, I will reply to all the speakers who have participated in this debate. There are only two points One is that the list has been compiled yesterday I do not think it will be fair to go on adding to that list. That is point number one.

SHRI MURLIDHAR CHANDRAKANT BHANDARE. No, it cannot be done under the rules Once the statement is laid on the Table, it cannot be added

SHRI YASHWANT SINHA· There were 24 speakers who were listed for asking clarifications yesterday Now if we go on adding to it, I have strious objections to this because suppose we carry it forward to Wednesday, we carry it forward to Thursday, every day we will have new additions to the list. It cannot be done.

SHRI VISHVJIT P. SINGH: We cannot do it. It has to be stopped.

SHRI YASHWANT SINHA: So we have a list of 24 speakers. Those who are keen are present in the House. Those who are not keen are not keen. I do not think the House should wait at their mercy that whenever they come we must have the debate. So my most humble request is that let us finish with the clarifications. All I see is all the faces which are really interested in this debate. So let us finish with the clarifications I think, we will not take more than half-an-hour and then I will reply on Wednesday.

SHRI SANTOSH BAGRODIA: I do not mind sitting but I strongly object to the Finance Minister's observation. He said that the Members just come whenever they want It is not right This was decided yesterday that clarifications will start at 5 o'clock The normal practice is on Friday we adjourn by 6 o'clock So we have suggested that way. It is not that we are not keen. We are as keen as he is keen to discuss about the economic situation of the country To make this kind of remark is not in the good spirit.

SHRI VISHVJIT P SINGH: He is withdrawing it

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Let us take it up on Wednesday. After Mr Bhandare, we will adjourn

SHRI MURLIDHAR CHANDRAKANT BHANDARE: In Monday's bulletin it was clearly mentioned about the procedure regarding clarifications So any further requests should not be entertained. I am for due observance of the rules

Mr. Vice-Chairman, Sir, this is the first statement of the hon Finance Minister As I wrote to him when I sent my congratulations and felicitations he is in a very unenviable position. I think nobody would like to join issues at the moment. He has inherited from the previous Government, a hopeless economic situation He has to do his best to tide over the present economic crisis. He considers the balance of payments position as serious We consider it as grim. As has been pointed by speaker after speaker, the shadow of the Gulf war is increasingly looming large. One shudders even to think of what would be the impact of such a war on the economy of our country. I realise it is not necessarily his branch but he is vitaly concerned with it. But there is no mention about the oil policy which we are going to pursue in this very unusual situation. What is more disappointing is despite the fact that we have asked questions and that was the first question yesterday which could not be taken up But for the adamant attitude of my hon friend, Mr. Gurupadaswamy, we would have gone ahead with it. That was far more important than finding out who is the Leader of the Opposition. There is no mention at all of the IMF loan. In fact, we have been reading statements from the Prime Minister that the IMF will be approached for loan. We understand the imperative of the Finance Minister for such a step. But we must guard him against the conditionalities which have been warned about by my esteemed hon. Members like Mr. Shankarrao Chavan, former Finance Minister, Mr Jagesh Desai and Mr. N.K.P Salve. I am worried about one particular thing and I would be failing in my duty, Mr Finance Minister, if I were not to invite your attention to that with which I am seriously concerned Eventually, the IMF may force you to devalue the rupee and that would be disastrous I want an assurance from you if it is possible for you to give it. This would not be a mere clarification on the point.

SHRI YASHWANT SINHA: If the hon. Member yields for a moment. I can say here and now that there is no question of devaluation of the rupee.

SHRI MURLIDHAR CHANDRAKANT BHANDARE: I am glad. I was quite confident of that answer from the hon Minister.

Really, what we should look at now is not a statement of 13 paragraphs. I do not know why you chose 13 paragraphs in your first statement unless like Winston Churchill and me, 13 is a lucky number for you But there is considerable substance in the demands made by my friends like Prof Thakur for a white paper because what is necessary is a holistic approach to this very serious subject. Though you have answered in the negative, I think it is not necessary that you should stick to your view. You may think of coming out with a white paper particularly because you are not responsible for anything which you have inherited.

Then I come to the most important point about which this Government must be very clear. I am very happy that the hon. Finance Minister was himself a very able bureaucrat The Government at the moment, is on probation. According to me, it is on probation and it has to prove and satisfy the urges and the aspirations of the people It has to overcome the frustrations of the people and I wish you all the luck in that It is a good task, it is a very good thing to talk about austerity, but it is very difficult to practise it But I hope that this Government will practise it very effectively The real solution, as has been pointed out again by speaker after speaker, is not trying to have additional resources through taxes, but by reducing the expenses. Except just a lip-sympathy, I do not find any mention as to how you are going to approach. Particularly the hon. Member, Mr. Shankarraoji Chavan, has raised very very valid points. I repeat them and support him on these points. You have opted for the choice of increasing the personal taxation. A point has been made that corporate taxation has been reduced from 50 to 40 per cent. The share market has seen a boom which had not been ever seen before in the history of Independent India. By increasing the direct taxation you may earn Rs 69 crores today. I had been one of those who were very vociferous in those days, following the example of the British, that there should be 90 per cent taxation. And I have publicly acknowledged on the floor of this Huose—I repeat it again—that I could not have been more wrong because experience has shown that you lower taxes and you earn large revenues This year you may earn Rs 69 crores But I may warn you, just consider it, just consider the past experience, next year, you lose Rs. 120 crores The moment the State tries to be such a major partner, then the temptation to avoid and evade tax also takes better of a citizen Particularly a large number of self employed are in this bracket They have no social security. When they are unwell, they have to sit at home and they do not even earn These are very peculiar problems. They look very affluent, they look very prosperous They want to discharge their duties to the nation But I think there is a limit. In any event, Rs 60 crores is a flea-bite. Please consider these two things

May I now come to one more point which has been a point of mutual concern on which we have fought common battle against the previous Government and that is the question of unjust enrichment? I do not find a single word Maybe, you may not be able to mop up what we had predicted but certainly a few hundred crores will come out of it Yesterday, I had an unstarred question No 69, answer to which is so disappointing, it is no answer at all. I thought you would come with startling revelations But it is as vague as one could expect it to be Let us therefore on this occasion decide that we will have austerity not only for this year but for quite a few years to come It must be remembered that today we are teaching our citizens the grammar of anarchy when they should be practising the grammar of democracy This morning, on the very first question, we learnt that more than

500 coaches have already been burnt in the various agitations. The loss is colossal in terms of everything. I do not have to say that and it has been now established if there is one sector which contributes maximum to the growth of any region, it is the communication, whether it is rail, whether it is road, whether it is water and the way the last Government neglected it, tax on every communication including a postcard and a telegram— this is going to have an irreversible effect, invisible at the moment but devastating a couple of years later Let me say this that as has been stated, it is easy to ask the people to go on the streets, but it is difficult to ask them to sit at home and do their work. It will be only through hard work, through unity, through sweat that we will build our nation and every man, every woman, every child, will consider no sacrifice too great to build up this great motherland. Thank you

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR). Now, the sense of the House is that we will continue these clarifications on Wednesday, the 2nd January, 1991, when we meet and the seekers of the clarifications are listed. From serial number 9 onwards That will come on the agenda

SHRI YASHWANT SINHA: Sir, before you adjourn the House for the day, may I say that we are adjourning today to meet only in the next year and therefore, may I take this opportunity, Sir, to wish on my behalf, on behalf of my party all the Members of this House a very very happy New Year

SHRI N K P SALVE (Maharashtra): Sir, on behalf of our party, we heartily reciprocate the kind sentiments expressed by the Leader of the House and we wish him with double the vigour, all the best and best of luck for a very happy and prosperous New Year because if they are happy and prosperous, the whole nation will be safe. Otherwise, I do not know what will happen.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) From the Chair I would also join you all because 1990 would soon yield to 1991 Old always yields to new, past to the future and our despairs to new determinations When we meet again, we will realise that all these truths are with us. The country has passed through traumatic conditions in several fields of our national life and yet there is hope for overall progress peace and prosperity Our failures need not halt our march towards our egalitarian and welfare goals. As we depart to meet next year on Wednesday, the 2nd January, and as I adjourn the House to that date, I wish you all, hon Members, and also the staff attached to this House, a very happy and prosperous New Year.

SHRI SANTOSH BAGRODIA: Please give a ruling on this question. The Industrial Policy was not taken up last time. Next time priority should be given to it.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): That is already given.

Now the House stands adjourned till 11 A.M on Wednesday, the 2nd January, 1991

The House then adjourned at seventeen minutes past six of the clock till eleven of the clock on Wednesday, the 2nd January, 1991.